

**Office of the Health Insurance Commissioner**  
**2011 Health Plan Rate Factor Review Template: Submissions for Large Group**

|  | Blue Cross and Blue Shield of RI |                |           |                |           |                | UnitedHealthCare of NE |                |           |                |           |                | Tufts Health Plans |                |           |                |           |                |
|--|----------------------------------|----------------|-----------|----------------|-----------|----------------|------------------------|----------------|-----------|----------------|-----------|----------------|--------------------|----------------|-----------|----------------|-----------|----------------|
|  | 2009 req.                        | 2009<br>apprvd | 2010 req. | 2010<br>apprvd | 2011 req. | 2011<br>apprvd | 2009 req.              | 2009<br>apprvd | 2010 req. | 2010<br>apprvd | 2011 req. | 2011<br>apprvd | 2009 req.          | 2009<br>apprvd | 2010 req. | 2010<br>apprvd | 2011 req. | 2011<br>apprvd |
| <b>Category: Hospital Inpatient</b>      |                                  |                |           |                |           |                |                        |                |           |                |           |                |                    |                |           |                |           |                |
| Annual Rate of Price Inflation (%)       | 8.5                              |                | 7.9       |                | 7.3       |                | 10.0                   |                | 10.0      |                | 8.4       |                | 7.4                | 7.4            | 7.5       | 7.5            | 7.6       |                |
| Annual Rate of Utilization Inflation (%) | 1.0                              |                | 1.0       |                | 1.0       |                | 5.6                    |                | 4.6       |                | 3.5       |                | 1.3                | 1.3            | 3.5       | 3.5            | 4.3       |                |
| Composite Inflation Rate (%)             | 9.6                              |                | 9.0       | 7.5            | 8.4       |                | 16.3                   |                | 15.1      | 9.5            | 12.2      |                | 8.8                | 8.8            | 11.2      | 11.2           | 12.2      |                |
| <b>Category: Hospital Outpatient</b>     |                                  |                |           |                |           |                |                        |                |           |                |           |                |                    |                |           |                |           |                |
| Annual Rate of Price Inflation (%)       | 7.8                              |                | 7.4       |                | 6.8       |                | 7.8                    |                | 7.8       |                | 6.8       |                | 7.5                | 7.5            | 7.1       | 7.1            | 7.2       |                |
| Annual Rate of Utilization Inflation (%) | 5.3                              |                | 5.2       |                | 5.2       |                | 5.5                    |                | 4.5       |                | 7.5       |                | 4.2                | 4.2            | 3.8       | 3.8            | 3.8       |                |
| Composite Inflation Rate (%)             | 13.6                             |                | 13.0      | 9.9            | 12.4      |                | 13.8                   |                | 12.6      | 10.5           | 14.8      |                | 12.0               | 12.0           | 11.1      | 11.1           | 11.2      |                |
| <b>Pharmacy</b>                          |                                  |                |           |                |           |                |                        |                |           |                |           |                |                    |                |           |                |           |                |
| Annual Rate of Price Inflation (%)       | --                               |                |           |                |           |                | 4.8                    |                | 4.8       |                | 5.4       |                | 7.3                | 7.3            | 5.7       | 5.7            | 6.6       |                |
| Annual Rate of Utilization Inflation (%) | --                               |                | --        |                | -         |                | 6.6                    |                | 5.7       |                | 5.7       |                | 2.6                | 2.6            | 3.1       | 3.1            | 2.3       |                |
| Composite Inflation Rate (%)             | 10.8                             |                | 11.0      | 11.0           | 10.1      |                | 11.9                   |                | 10.8      | 10.8           | 11.4      |                | 10.1               | 10.1           | 9.0       | 9.0            | 9.1       |                |
| <b>Category: Primary Care</b>            |                                  |                |           |                |           |                |                        |                |           |                |           |                |                    |                |           |                |           |                |
| Annual Rate of Price Inflation (%)       | 19.3                             |                | 15.0      |                | 8.1       |                | 3.8                    |                | 3.8       |                | 4.7       |                | 6.7                | 6.7            | 6.2       | 6.2            | 5.9       |                |
| Annual Rate of Utilization Inflation (%) | 3.5                              |                | 3.7       |                | 4.9       |                | 6.7                    |                | 5.8       |                | 7.1       |                | 1.3                | 1.3            | 4.0       | 4.0            | 3.0       |                |

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|---|----------------------------------|----------------|-----------|----------------|----------|----------------|------------------------|----------------|-----------|----------------|----------|----------------|--------------------|----------------|-----------|----------------|----------|----------------|
|   | 2009 req.                        | 2009<br>apprvd | 2010 req. | 2010<br>apprvd | 2011 req | 2011<br>apprvd | 2009 req.              | 2009<br>apprvd | 2010 req. | 2010<br>apprvd | 2011 req | 2011<br>apprvd | 2009 req.          | 2009<br>apprvd | 2010 req. | 2010<br>apprvd | 2011 req | 2011<br>apprvd |
| Composite Inflation Rate (%)                          | 23.5                             |                | 19.3      | 19.3           | 13.4     |                | 10.9                   |                | 9.8       | 19.3           | 12.1     |                | 8.1                | 8.1            | 10.5      | 10.5           | 9.0      |                |
| <b>Category: All Other Medical Care</b>               |                                  |                |           |                |          |                |                        |                |           |                |          |                |                    |                |           |                |          |                |
| Annual Rate of Price Inflation (%)                    | 3.0                              |                | 2.3       |                | 2.6      |                | 3.8                    |                | 3.8       |                | 4.7      |                | 5.8                | 5.8            | 3.9       | 3.9            | 3.4      |                |
| Annual Rate of Utilization Inflation (%)              | 3.5                              |                | 3.7       |                | 4.9      |                | 6.7                    |                | 5.8       |                | 7.1      |                | 2.7                | 2.7            | 4.2       | 4.2            | 5.0      |                |
| Composite Inflation Rate (%)                          | 6.6                              |                | 6.1       | 6.1            | 7.7      |                | 10.9                   |                | 9.8       | 7.6            | 12.1     |                | 8.7                | 8.7            | 8.3       | 8.3            | 8.6      |                |
| Projected Portion of Premium for Administrative Costs | 15.1                             |                | 12.2      | 12.0           | 11.5     |                | 15.9                   |                | 15.9      | 15.9           | 12.0     |                | 13.0               | 12.0           | 13.0      | 13.0           | 13.5     |                |
| Projected Portion of Premium for Reserves and Profit  | 3.3                              |                | 2.3       | 2.0            | 3.0      |                | 1.0                    |                | 1.0       | 1.0            | 5.0      |                | -                  | -              | -         | -              | -        |                |
| Overall avg. premium increase (OHIC estimated)        | 16.3                             |                | 14.6      | 9.9            | 13.4     |                | 11.6                   |                | 11.5      | 6.0            | 11.7     |                | 9.7                | 8.5            | 9.3       | 9.3            | 11.6     |                |

Notes:

1. Annual rate of utilization inflation also includes amounts if identified separately for mix of services, demographic change and benefit leveraging.
2. United has shown separate expenses and contribution to reserve for UHIC and UHNE. The chart shows the UHIC #s. UHNE admin is 16.0%, contribution to reserves 1.0%
3. United notes that the average increase for large group is the increase in base rates only, and that actual results will vary because of demographics or plan experience.
4. Blue Cross analyzes trend on a combined basis for small and large group; United's is separate.
5. Tufts is projecting higher commissions based on size of group and graded scale
6. Tufts has relatively higher rate increases in first six months because of catch up on health assessments.
7. Tufts reports separately for TAHMO and Tufts Ins Co. ; average rate increase is a weighted average of the two
8. Average premium increase is the average of rate increases identified by the carriers for the four quarters of 2011